

THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

W.P.No.19202 of 2005

Date:30.08.2005

M/s.Diamond Leathers, Desaipet, Warangal,
Rep. By its Proprietrik, Smt.Sirajunnisa Begum,
W/o.Late Abdulla Basha, aged about 48 years,
Occ: Business, R/o.9-5-55, Mandi Bazar, Warangal

-----Petitioner

The A.P.State Final Corporation, Hyderabad,
Rep. By its General Manager and another.

----- Respondents

ORDER:

The petitioner is a proprietary concern of Smt Sirajunnisa Begum. Late Abdulla Basha, husband of Smt. Sirajunnisa Begum, availed a sum of Rs.20, 00,000/- as loan from the respondents-Corporations in the year 2002. He is said to have died few months thereafter. The petitioner continued to repay the amount in various installments and as of now, a sum of Rs.15,00,000/- is said to have been paid. The respondents issued a notice, dated 06.08.2005, proposing to sell the industrial unit of the petitioner, on the ground that a sum of Rs.15,00,000/- is still due and that the petitioner did not repay the same.

A representation, dated 27.08.2005, was submitted by the petitioner to the 2nd respondent, wherein it was stated that due to lack of experience, the business could not be conducted properly, the unit sustained heavy losses and a request was made to settle the transaction once for all. It offered to pay a sum of Rs.5,00,000/-. The grievance of the petitioner is that the respondents are proceeding to sell the unit without considering its representation.

Heard Sri A.Prabhakar Rao, the learned counsel for the petitioner and Sri Y.N.Lohita, the learned counsel for the respondents.

It is not in dispute that the petitioner availed the loan facility from the respondents. There was some irregularity in repayment of the same. Substantial portion of the borrowed amount is said to have already been cleared of. While according to the petitioner, a sum of Rs.5,00,000/- of principal and the interest that accrued thereon up to date is due, the respondents insist that a sum of Rs.15,00,000/- is due. That, however, is a matter to be decided at the appropriate level.

The petitioner submitted a representation, dated 27.08.2005, with certain offer. Various schemes are in vogue with the respondent Corporations, to settle the loan transactions. It is true that the petitioner did not refer to any scheme, may be on account of inexperience of the proprietrix. When the petitioner did not dispute its liability and in fact, offered to settle the account, sale of the unit straight away may not be treated as a reasonable approach. The petitioner deserves to be given an opportunity.

For the foregoing reasons, the writ petition is disposed of, directing that the sale proposed through the notification, dated 06.08.2005, shall be deferred for a period of two months, on condition that the petitioner deposits a sum of Rs.5,00,000/-(Rupees Five Lakhs Only) within four weeks from today. In the meanwhile, it shall also be open to the petitioner to make a fresh representation invoking any schemes owing with the respondents, and the respondents, in turn, shall pass appropriate orders within that time. There shall be no order as to costs.

30.08.2005

Note: Issue C.C by tomorrow.

(B/o)

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